ii. Quicker development of discovered gas reserves for enabling commencement of production.

iii. Use of stimulation techniques for increasing production from existing fields of natural gas.

iv. Application of Enhanced Oil Recovery (EOR)/Improved Oil Recovery (IOR) techniques for increasing recovery factor from existing fields.

v. Exploration and production of Coal Bed Methane Gas.

vi. Exploration of sites of underground coal gasification.

vii. Participating in gas hydrates programmes carried out by various countries.

viii. Acquisition of exploration acreages and oil & gas producing properties overseas to bring in equity oil and gas.

ix. Encouraging Oil PSUs to aggressively pursue equity and oil gas opportunities overseas and supporting them at diplomatic level.

x. Substitution of oil through use of non-conventional source of energy such as bio-diesel, ethanol etc.

xi. Setting up of Hydrogen Corpus Fund for supporting Research and Development in various aspects of Hydrogen which could substitute part of natural gas as transport fuel in future.

Loss incurred by public sector refineries

827. SHRI C. RAMACHANDRAIAH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the delays taking place to limit the losses of the State run Oil Refineries which supply cheap fuel at a time of rising crude oil prices, pose grave risk to public finances and to the growing domestic economy;

(b) if so, whether any measure to expeditiously address the situation is being contemplated;

(c) if so, the details along with the losses incurred during last six months, month and refinery-wise and the impact of the measures on the prevailing inflation; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (d) The Public Sector Oil Marketing Companies (OMCs) are maintaining accounts on an integrated basis. When considered on integrated basis, OMCs are incurring under-recoveries on domestic sale of petrol, diesel, kerosene and domestic LPG due to increase in the prices of crude oil and petroleum products in the international market. The gross estimated under-recoveries of the OMCs on sale of sensitive petroleum products *i.e.* petrol, diesel, PDS kerosene and domestic LPG during the period April to September, 2007 is as under:

(Rs. in crores)

Under-Recovery*	April—Sept., 2007 (Provisional)
Petrol	2638
Diesel	9919
PDS Kerosene	8206
Domestic LPG	5608
TOTAL:	26363

*Gross under-recoveries without considering oil bonds, upstream assistance and refinery discounts.

As passing on the entire impact of the steep increase in the international oil prices to the consumers would have resulted in steep increase in the domestic prices, the Government took following measures to ensure that the burden was shared by all the stakeholders:

* OMC would be issued bonds for an amount equal to 42.7% of their under-recoveries on sale of sensitive petroleum products during the current financial year.
* Under-recoveries suffered by the OMCs in marketing of sensitive petroleum products are shared by the up-stream oil companies.

Southern Gas Grid Project

828. SHRI K. CHANDRAN PILLAI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether there was any plan for Southern Gas Grid Project;

(b) whether natural gas is now available in the Krishna-Godavari (KG) Basin;

(c) if so, whether Government reconsiders the Southern Gas Grid Project connecting four Southern States including Kerala;

(d) whether Government has received any request from the States in this regard; and

(e) if so, details thereof along with the details of action taken by Government?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a), (c) to (e) Gas pipelines are laid according to gas availability and connect production and consumption centres. A network of trunk gas pipelines is being laid connecting customers in the southern part of the country to various sources of natural gas.

The issue was raised in the meeting of the Southern Zonal Council held at Puducherry on 31-5-05. Based on the requests received from different entities for permission to lay gas pipelines, Government has issued authorizations for laying the pipelines as per the given Statements. (*See* below).

(b) The present production of natural gas from the Krishna-Godavari basin is from Cairn's Ravva field (about 1 MMSCMD) and from Ravva Satellite field (about 0.9 MMSCMD). Apart from this, Directorate General of Hydrocarbons (DGH) has certified future gas production from RIL's Dhirubhai field as 40 MMSCMD from 2008-09 which is likely to be 80 MMSCMD from 2011-12 to 2016-17. Further, it is anticipated that there would be some production from GSPC's fields in the KG basin.

Statement

Entities	Name of the Pipeline	States Covered
1	2	3
GAIL (India) Limited	Dadri-Bawana-Nangal Pipeline	U.P., Delhi, Haryana, Punjab
GAIL (India) Limited	Chainsa-Gurgaon-Jhajjar-Hissar Pipeline	Haryana, Rajasthan
GAIL (India) Limited	Jagdishpur-Haldia Pipeline	West Bengal, Jharkhand, Bihar, U.P.